



# STATE OF INDIANA

## OFFICE OF THE TREASURER

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**FOR IMMEDIATE RELEASE**

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### **State Treasurer Richard Mourdock Provides \$50 Million Restoration Aid for Flood Damaged Farmland**

INDIANAPOLIS (July 2, 2008) –State Treasurer Richard Mourdock announced the establishment of the Treasurer’s Conservation Assistance Program (T-CAP) to provide assistance to Hoosier farmers who have suffered damages to their farmlands due to recent flooding throughout the state.

“Within hours of Hoosier farmlands being flooded in Central and Southern Indiana, Governor Daniels contacted me asking what assistance our office could provide to the farmers affected,” explained Treasurer Mourdock. “To assist in the process of restoring Hoosier farmlands, I am providing \$50,000,000 of state deposits that will be a source of low cost loans to Indiana farmers. Under the United States Department of Agriculture (USDA) programs these funds will be considered “local” monies and thus result in federal matching grants of more than \$200,000,000. The leveraging of state dollars to help acquire federal monies is a win-win for Indiana farmers.”

“Governor Daniels and I want to make sure our Hoosier farmers have all the resources they need to get back to work,” stated Lt. Governor Becky Skillman. “The restoration aid will help farmers recover from damages and keep our agricultural industry strong.”

The USDA provides federal matching funds through a number of programs. The Indiana State Department of Agriculture (ISDA)’s Division of Soil Conservation works with the USDA to ensure that conservation projects benefiting Hoosier farmers get completed. Specifically, the T-CAP program will provide funding for repair or reconstruction of conservation structures and conservation practices that were destroyed by the flooding.

The \$50,000,000 in funding from the Treasurer of State’s Office will be a “linked-deposit” program in partnership with local financial institutions. The Treasurer of State’s Office will purchase certificates of deposit (CD) from local banks at a reduced rate of interest, and in turn the bank will provide a loan to the farmer at a reduced rate of interest. **(CDs purchased by the Treasurer of State’s Office will be the Federal Fund Rate – 1.5% with a floor at .50%. Local financial institutions will provide loans to the farmers at 2.25% above the Treasurer’s CD rate.)** Rates will be fixed for the one year term of the loan. A loan made today under this formula would result in a cost of 2.75% to the farmer.

“I am pleased the Treasurer’s Office will play a part in helping Hoosiers farmers restore their flood damaged farmlands,” stated Treasurer Mourdock. “I would like to thank ISDA’s Director Andy Miller and his staff, the USDA, and local financial institutions for their willingness to address the flooding emergency in our State.”

For more information about T-CAP, please visit our website at <http://www.state.in.us/tos/2829.htm>. For assistance with an USDA program, please visit [http://www.in.nrcs.usda.gov/contact/directory/field\\_offices.html](http://www.in.nrcs.usda.gov/contact/directory/field_offices.html) or ISDA at <http://www.in.gov/isda/2338.htm>.